



**a**arizona

**S**state

**r**retirement

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# Strategic Plan for Operations Management

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# The Arizona State Retirement System (ASRS) Strategic Plan for Operations Management

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## ***Vision***

For the benefit of our members, the Arizona State Retirement System will be a leading state benefit plan administrator in the areas of:

- ⇒ Core member services
- ⇒ Funded status
- ⇒ Investment performance
- ⇒ Operational effectiveness

This will be accomplished while keeping program benefits and associated costs relatively aligned and maintaining actuarial and fiscal integrity.

## ***Values***

Our organizational culture will be based on the following values:

- |                         |  |
|-------------------------|--|
| <b>Service:</b>         | A commitment to service excellence will permeate the organization.   |
| <b>Professionalism:</b> | A highly capable workforce will promote a professional and respectful environment and lead the organization.                                   |
| <b>Improvement:</b>     | A climate of continuous quality improvement and enhanced efficiencies will drive the organization.   |
| <b>Diversity:</b>       | Engagement of diversity by the appreciation, recognition, and support for all people will propel the organization to ever greater achievement. |
| <b>Results:</b>         | A results-oriented approach to operations will energize the organization.  |

## **Operational Goals**

1. *Members will view the ASRS as a flexible, appealing benefit plan, and employers will find it a useful tool for attracting and retaining high caliber employees in the public sector.*
2. *Members will have easy access to expert counseling, education, and retirement planning tools.*
3. *Members will experience fast turnaround time on service requests*
4. *Members will have instant access to up-to-date account information.*
5. *Members will be offered a competitive and efficiently run health insurance plan.*
6. *The ASRS will make calculations, payments, and disbursements timely, routinely, and correctly.*
7. *The ASRS will efficiently and effectively collect and account for both member and employer dollars as well as account information.*
8. *The ASRS will establish a cooperative and beneficial network with its 500 employers, the Legislature, the Governor's Office, retirees, and other interested parties.*
9. *Members and employers will be kept well informed through a multi-media communication service network.*
10. *The ASRS will set and implement a forward-looking legislative and policy agenda.*

**DIVISION:  
MEMBER SERVICES**

**Program Area:**  
***Advisory Services***

**Goal:** Identify and exceed member expectations for timely and quality responses to inquiries and benefit service requests, individual counseling, off-site seminars, and annual benefit statements.

**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering advisory services.

**Service Area:**  
***Member Inquiries***

**Call Center**

Objectives:

- Respond to incoming calls within 60 seconds.
- Maintain a call abandonment rate of 10% or less.
- Maintain a quality rating of 90% or above.
- When necessary, distribute service requests to appropriate program area(s) within one business day of receipt.

**Benefit Advisor Callbacks**

Objectives:

- Return calls in two business days or less.
- Resolve remaining issues within ten business days of initial request.
- When necessary, distribute service requests to appropriate program area(s) within one business day of receipt.

**General Inquiries**

Objective:

- Research and respond to all general requests for information within ten business days of receipt.
- When necessary, distribute service requests to appropriate program area(s) within one business day of receipt.

**Web Inquiries**

Objectives:

- Acknowledge request within one business day of receipt.

- Research and respond within five business days of receipt.

### **Walk-In**

#### **Objectives:**

- Acknowledge member request for information or service immediately.
- Assist member within 15 minutes of arrival.

### **Service Area:**

#### ***Verifications***

### **Verify Pension Income or Account Balance**

#### **Objective:**

- Complete form or send letter within five business days.

### **Verify ASRS Service (Current or Former Members)**

#### **Objectives:**

- Acknowledge member request within five business days.
- Complete form or send letter within 40 business days.

### **Service Area:**

#### ***Service Purchase Requests***

### **Cost Calculation Letters**

#### **Objectives:**

- Acknowledge member request within five business days.
- Complete form or send cost calculation within 40 business days.

### **Payment for Service – Payroll Deduction Authorization (PDA)**

#### **Objectives:**

- Receive request for PDA and issue contract within five business days.
- Receive completed contract, review, and send to Financial Services Division within five business days.

### **Service Area:**

#### ***Service Transfer Requests***

### **Transfer Service to ASRS**

#### **Objectives:**

- Forward signed requests to Financial Services Division within three business

- days of receipt.
- Acknowledge request for transfer of service within three business days of receipt of letter.
  - Acknowledge transfer of service within three business days of receipt of completed file.

### **Transfer Service from ASRS**

#### **Objectives:**

- Mail transfer request to member within three days of request.
- Forward signed requests to Financial Services Division within three business days of receipt.
- Acknowledge request for transfer of service within three business days of receipt of letter.
- Acknowledge transfer of service within three business days of receipt of completed file.

### **Service Area:**

#### ***Benefits Payable***

### **Forfeitures**

#### **Objectives:**

- Respond to member requests for forfeiture applications and fully inform members of our legal obligation and their responsibilities within two business days.
- Obtain completed application from member within 60 calendar days of initial request.
- Review application for completeness; if acceptable, forward to Financial Services Division for processing within three business days of receipt.

### **Survivor Benefits**

#### **Objective:**

- Acknowledge report of death and notify Financial Services Division within five business days.

### **New Retirees**

#### **Objectives:**

- Acknowledge receipt of retirement application and documents within 15 business days; verify option selected, beneficiary, etc., and if necessary, request additional information.
- Request payroll verification from the employer ten business days prior to actual retirement date and forward to Financial Services Division for processing.



## **Benefit Option Rescind and Revert Calculations**

Objective:

- Acknowledge request and forward to Financial Services Division for processing within five business days.

**Service Area:**

### ***QDRO Processing***

## **QDRO Processing**

Objectives:

- Issue QDRO packet within five business days of request.
- Initiate a legal hold on the applicable member's file, and provide notification to the member or legal counsel of the document's status within 15 business days of receipt of completed QDRO packet.
- Receive certified copy of QDRO, review, and finalize process within ten business days of receipt.

**Service Area:**

### ***Benefit Estimates***

## **Benefit Estimates**

Objective:

- Complete requested benefit estimates within 15 business days.

## **Annual Member Statements**

Objective:

- Complete distribution of annual member statements by October 1<sup>st</sup> of each year.

**Service Area:**

### ***Member Counseling and Education***

## **Pre-Retirement Interviews**

Objectives:

- Acknowledge member request within five business days.
- Meet all scheduled commitments.
- Accommodate requests for pre-retirement *on-site* interviews within ten business days.
- Accommodate requests for pre-retirement *off-site* interviews within 60 business days.

- Increase by 10% the number of retiring members who have had a pre-retirement interview or attended a pre-retirement seminar.
- Increase to 80% the number of retiring members who have had a pre-retirement interview or attended an educational seminar.

### **Educational Seminars**

#### **Objectives:**

- Acknowledge member request within five business days.
- Meet all scheduled commitments.
- Accommodate requests for enrollment at an educational seminar within 60 days for members residing in Phoenix or Tucson areas.
- Accommodate requests for enrollment at an educational seminar within 120 days for members residing outside Phoenix and Tucson areas.
- Increase by 10% the number of retiring members who have attended an educational seminar.

### **Open Enrollment Seminars**

#### **Objectives:**

- Acknowledge member request within five business days.
- Meet scheduled commitments for conducting open enrollment seminars.

### **Service Area:**

#### ***Health Insurance***

### **Health Insurance Issue Resolution**

#### **Objectives:**

- Acknowledge member request within five business days.
- Coordinate with Financial Service Division and vendor(s) to resolve disputed claims within 30 business days of receipt or notification.
- Meet all other scheduled commitments.

### **Claims Reimbursement**

#### **Objective:**

- Pay member claims for reimbursement within 14 business days of receipt.

### **Service Area:**

#### ***Modified Deferred Retirement Option Plan (DROP) Program***

### **DROP Inquiry**

Objective:

- Respond to requests for information within one business day.

**Service Area:**

***Supplemental Retirement Savings Plan (SRSP)***

**SRSP Inquiry**

Objectives:

- Respond to requests for information within one business day.

**Program Area:**

***Long Term Disability***

**Goal:** Identify and exceed member requirements for timely and quality LTD services.

**Goal:** Identify and implement the most efficient and cost effective method for delivering long-term disability services.

**Service Area:**

***LTD Administration***

**Coordinate Requests**

Objectives:

- Acknowledge member request within five business days.
- Meet all scheduled commitments.
- Define and communicate to employer members the distinction between long-term disability and the Americans with Disabilities Act.

**Long Term Disability (LTD) Services**

Objectives:

- Determine claimant's eligibility within six months of onset of disability.
- Ensure that payment is made on the first day of payment eligibility (after fulfillment of the six-month waiting period) and monthly thereafter.
- Ensure eligibility status is accurate.

**DIVISION:  
INFORMATION SERVICES**

**Program Area:**

***Business Application Development***

**Goal:** Develop and maintain a database system and business applications that provide procedures and programs to collect, organize, maintain, and present the data required to meet the informational needs of the ASRS and its constituents.

**Goal:** Identify and exceed all user requirements for timely and quality development and maintenance of business applications.

**Goal:** Identify and implement the most efficient, cost effective and user-oriented methods for delivering services.

**Service Area:**

***Business Applications Development***

**Objectives:**

- Acknowledge development requests within one business day.
- Respond to development requests within ten working days.
- Meet scheduled commitments for applications development and support 90% of the time.

**Program Area:**

***Network Information Systems***

**Goal:** Provide an environment for computer and filing systems capable of supporting present ASRS needs, flexible enough to support future requirements, and secure enough to protect member files.

**Goal:** Identify and exceed all user requirements for timely and quality service for Network services and support.

**Goal:** Identify and implement the most efficient and cost effective methods for delivering Network services and support.

**Service Area:**

***Operations***

## **Reports and Tape Processing Support**

### **Objectives:**

- Receive and acknowledge requests for cyclical or on-demand report(s) within one business day.
- Complete requests and/or process computer tape files according to scheduled commitments; notify user within two hours of completion.
- When necessary, troubleshoot, and complete requests according to prioritized commitments.

## **Network Access**

### **Objectives:**

- Receive and acknowledge requests for network access within one business day.
- Complete request and notify supervisor and/or user within four business days of request.

## **Service Area:**

### ***Network Support***

## **Network User Support**

### **Objectives:**

- Receive and respond to requests for Network support within two hours.
- Assist users according to scheduled commitments.
- When necessary, troubleshoot, and make repairs according to prioritized commitments.

## **Hardware**

### **Objectives:**

- Maintain, upgrade, troubleshoot, and repair all Network servers, PC's, laser printers, telephone systems, and other equipment according to specifications, recommendations, and scheduled commitments.

## **Business Continuity Plan**

### **Objectives:**

- Perform functionality test annually
- Determine whether to activate the disaster recovery plan within 2 hours
- Achieve recovery for PERIS systems within 24 hours
- Achieve recovery of Unisys systems within 24 hours
- Achieve recovery of Call Center systems within 10 hours

**Service Area:**  
***Computer Related Training***

**Training Support**

**Objectives:**

- Receive and respond to requests for training within two business days.
- Identify gaps in computer proficiency, make recommendations for improvements, and schedule requests for agency-wide, division-wide, group, or individual training sessions according to scheduled commitments.
- Create and distribute written manuals to assist in the use of all ASRS computer programs.

**Service Area:**  
***Telephone Support***

**Telephone Maintenance**

**Objectives:**

- Respond to requests for telephone maintenance within one business day.
- Install, repair, or replace telephones within two business days of request or according to scheduled commitments.

**Telephone Training**

**Objectives:**

- Respond to requests for telephone training within one business day.
- Conduct telephone training within two business days of request or according to scheduled commitments.

**Program Area:**  
***Records Management***

**Goal:** Identify and exceed all user requirements for timely and quality storage, retrieval, and data entry of physical records.

**Goal:** Identify and implement the most efficient and cost effective methods for delivering Records Management services and support.

**Service Area:**  
***Records Management***

**ASRS Enrollments**

Objectives:

- Process enrollment form requests within ten working days.
- Filing of enrollment forms within two working days.

**File Management**

Objectives:

- Fulfill all file requests within one business day.
- Fulfill file requests for walk-ins as required.
- Re-file all return member files within two business days.
- Insert all member documents in files within ten business days.
- Process data entry requests within ten working days.
- Fulfill all microfilm requests within two working days.

**Program Area:**

***Mail Center***

**Goal:** Identify and exceed all user requirements for timely and quality service for mail services and support.

**Goal:** Identify and implement the most efficient and cost effective methods for delivering mail services and support.

**Service Area:**

***Mail Services***

Objectives:

- Process all incoming mail within one business day of receipt.
- Process normal outgoing mail within one business day of receipt.
- Process checks within established time frames.
- Process established runs within established time frames.

**DIVISION:  
THE DIRECTOR'S OFFICE**

**Program Area:**

***Strategic Planning and Analysis***

**Goal:** Enhance efficiency, effectiveness and customer satisfaction at the ASRS through strategic planning.

**Goal:** Perform research and analysis that will help assist with the implementation of operational and technological enhancements.

**Service Area:**

***Strategic Planning and Analysis***

**Performance Measurement**

**Objectives:**

- Develop and facilitate a telephone survey once annually to measure overall member satisfaction with the ASRS.
- Develop and facilitate a monthly mail survey to measure member satisfaction with ASRS products and service delivery.
- Develop and facilitate a bi-annual employee survey to measure employee satisfaction.
- Develop charts and graphs that report on the ability of the ASRS programs to meet standards of performance.
- Develop presentations that communicate the ASRS' progress in meeting organizational goals.

**Research and Analysis**

**Objectives:**

- Perform research and analysis that will assist the ASRS in the implementation of operational enhancements.
- Perform research and analysis that will assist the ASRS in the implementation of technological enhancements.
- Perform research and analysis of proposed legislation or to assist with implementation of new legislation as requested.

**Program Area:**

***Management Support***

**Goal:** Identify and exceed all user requirements for timely and quality support services.



**Goal:** Identify and implement the most efficient and cost effective methods for delivering services and support.

**Service Area:**  
***Agency Support***

**Maintain Agency Phone List**

Objectives:

- Update lists within one business day of notification of employee change from Personnel.

**Generate and Maintain Agency Templates**

Objectives:

- Create and update agency templates as needed.
- Store all agency forms in the templates in an accurate and user friendly manner.

**14<sup>th</sup> Floor Copy Machine Key Operator; Fax Machine Key Operator, Printer Key Operator**

Objectives:

- Keep equipment in good operating condition with regularly scheduled maintenance.
- Disperse operating instructions and notices to staff as needed.
- Maintain toner and other supplies.

**Agency Travel**

Objectives:

- Make and communicate arrangements in a timely and error free manner.
- Process reimbursements in a timely manner.

**Create Correspondence; Presentations; Reports**

Objective:

- Complete error free correspondence, presentations and reports within one business day or agreed upon time frame.

**Filing**

Objective:

- Complete error free filing within the agreed upon time frame.

**Schedule Appointments / Meetings**

Objective:

- Schedule appointments and meetings upon request.

### **Maintain Conference Room and Board Room Calendars**

#### **Objectives:**

- Maintain calendars to eliminate scheduling conflicts and misuse of rooms.
- Provide instruction to the users of the room on the equipment therein.

### **Order Supplies**

#### **Objectives:**

- Order supplies biweekly to maintain an ongoing supply of approved merchandise.
- Conduct a monthly inventory of supplies.

### **Maintain Petty Cash and Employee Fund**

#### **Objectives:**

- Monitor Petty Cash and the Employee Fund to allow expenditure on approved items only.
- Maintain an accurate tracking of expenditures.

### **Mass Mailings (labels, copying, stuffing)**

#### **Objectives:**

- Accurately process mailings within two business days or established guidelines.

### **Service Area:**

#### ***Board Support***

### **Facilitate Board and Board Committee Meetings**

#### **Objectives:**

- Ensure that all meetings comply with Arizona Open Meeting Law.
- Provide error free Board meeting materials to Board members one week prior to meeting.
- Send Board meeting notification to members on the "Public Mailing List" one week prior to meeting. Maintain Public Mailing List as needed.
- Provide Committee materials to Committee members one week prior to meeting but no less than 24 hours prior to the meeting.
- Send Committee meeting notification to members on the "Public Mailing List" as soon as the final agenda is approved (mail time frame permitting). Maintain Public Mailing List as needed.

### **Board Correspondence and Meeting Materials**

#### **Objectives:**

- Complete outgoing correspondence within 24 hours or as requested.
- Ensure that correspondence and materials are error free.

- Process and disseminate incoming correspondence as needed.

### **Board Travel**

#### **Objectives:**

- Make and communicate travel arrangements in a timely and error free manner.
- Process reimbursements in a timely manner.

### **Service Area:**

#### ***Director's Office Support***

### **Member Letters to Director**

#### **Objectives:**

- Receive, acknowledge and assign correspondence to the proper person.
- Send Director responses to member letters within one business day.
- Follow-up on all requests once each week to ensure completion.

### **Correspondence and Surveys Sent to the Director's Office**

#### **Objectives:**

- Receive, acknowledge and assign surveys and correspondence responses.
- Follow-up on all requests once each week to ensure completion.

### **Creation of Correspondence; Presentations; Reports**

#### **Objectives:**

- Complete error free correspondence, presentations, and reports within one business day or agreed upon time.

### **Maintain Director's Calendar Schedule Appointments / Meetings**

#### **Objectives:**

- Maintain an accurate, up to the minute calendar.
- Schedule appointments upon request.
- Provide calendar and schedule changes to the Director daily (verbally or via GroupWise).

### **Maintain Director's Phones, Phone Messages, and Voicemail; Mail; Faxes**

#### **Objectives:**

- Answer phones immediately; do not allow to go into voicemail.
- Take accurate messages, recording all necessary information, or forward calls to the appropriate person for immediate follow-up.
- Change voice message at regularly agreed upon intervals.
- Retrieve voice messages and act upon immediately.
- Open mail and distribute within two hours of receipt.

- Retrieve faxes and distribute within one hour of receipt.

### **Maintain Director File System**

Objectives:

- Maintain appropriate materials in the Central File system.
- Maintain filing weekly.

### **Maintain ASRS Directory**

Objective:

- Update and distribute information within one business day of notification of change.

### **Maintain Agency Policies and Procedures**

Objectives:

- Format and distribute error free documents within agreed upon timelines.

### **Service Area:**

#### ***Investment Management Division Support***

### **Prepare Investment Materials for Board Meetings; Investment RFP Support**

Objectives:

- Provide error free materials to Board meeting facilitator at agreed upon deadlines.

### **Maintain Chief Investment Officer's Phones, Phone Messages, and Voicemail; Mail; Faxes**

Objectives:

- Take messages, record accurate information or forward to the appropriate person.
- Change voice message at regularly agreed upon intervals.
- Retrieve voice messages as requested and act upon immediately.
- Open mail and distribute within two hours of receipt.
- Retrieve faxes and distribute within one hour of receipt.

### **Maintain Investment Library; Filing**

Objectives:

- Maintain appropriate materials in the Central File and the Investment Library.
- Maintain filing weekly.

**Correspondence; Presentations; Reports; Research; Communication and Scheduling with Money Managers; Schedule Appointments and Meetings**

Objectives:

- Meet established deadlines.
- Ensure compliance of executive summary and presentation guidelines.

**Program Area:**

***Human Resources and Training***

**Goal:** Identify and exceed requirements for timely personnel administration.

**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering services.

**Goal:** Identify and exceed agency needs for training and human resources development.

**Service Area:**

***Human Resources Administration***

**Process Classification Personnel Action Requests**

Objective:

- Process Personnel Action Requests within five days of receipt.
- Meet user requirements for modifying the classification of ASRS staff.

**Policies and Procedures**

Objective:

- Administer personnel policies and procedures uniformly, in compliance with applicable state rules and regulations, and within established timelines.

**Tuition Reimbursement**

Objective:

- Make tuition monies available for course work identified in staff's annual training and education curriculum.

**Service Area:**

***Training***

**Education Tracking, Training Files**

Objectives:

- Maintain accurate education records.

- Provide Certificates of Completion to employees within one week of completed training class.

### **Training Registration (ASRS, ADOA), Training Reimbursement**

Objectives:

- Register employees for training within one business day of request.
- Process training reimbursements and forward to FSD within one business day of receipt.

### **Service Area:**

#### ***Employment***

### **Maintenance of Personnel Records**

Objective:

- Maintain accurate personnel records (demographic data, classification and compensation, performance evaluations, benefits).

### **Analysis and Reporting**

Objectives:

- Meet user expectations for human resource analysis and reports.
- Determine causes of turnover annually.
- Determine employee job satisfaction annually.
- Determine staff utilization of tuition reimbursement program annually.
- Develop a Board Report

### **Recruitment**

Objective:

- Process resumes and schedule interviews within agreed upon time frames.
- Fill vacant positions for internal recruitment within one month of approved request.
- Fill vacant positions for external recruitment within six weeks of request.
- Create and distribute follow-up correspondence within agreed upon time frames.

### **Temporary Staff and Interns**

Objective:

- Fill requests for temporary personnel or interns within four weeks of request.

### **New Employee Orientation**

Objective:

- Complete orientation of new staff regarding their duties and responsibilities as an ASRS and state employee within the first two days of employment.
- Work with supervisors to ensure new staff orientation with their supervisor is completed within the first 30 days of employment.
- Maintain employee parking assignments and security access codes.
- Notify building management immediately of changes in security access.

**Service Area:**  
***Employee Relations***

**Employee Performance Appraisals**

Objectives:

- Assist management with the identification of technical and organizational skill proficiencies and deficiencies for staff annually.
- Ensure uniform administration of employee performance evaluations.

**Employee Recognition**

Objective:

- Complete and disperse Value Awards within two business days of request.

**Internal Newsletter (Daily Advisor)**

Objectives:

- Maintain employee directory and make necessary updates within one week of request.
- Update and make necessary changes daily.

**Counseling**

Objective:

- Fulfill requests for counseling (personnel rule administration, career counseling, referrals, disability) within established timelines.

**Service Area:**  
***Employee Benefits***

**Coordinate Employee Benefit Program**

Objective:

- Administer state benefits programs (Health, Dental, Life, Disability, Workers Compensation, Retirement) uniformly, in compliance with applicable state rules and regulations, and within established timelines.

### **Coordinate Occupational Safety Issues**

Objective:

- Identify and report occupational safety issues.

### **Travel Reduction Coordination**

Objectives:

- Attend scheduled State meetings, keeping agency apprised of all programs, deadlines and notices.
- Organize travel reduction program within the agency.

### **Program Area:**

#### ***Budget***

**Goal:** Develop budgets that help the agency secure funding that is sufficient to support current and future operations

**Goal:** Allocate funding to Divisions and monitor expenditures to ensure compliance

### **Service Area:**

#### ***Budget Development and Administration***

#### **Budget Development**

Objectives:

- Assemble annual and biennial budget requests for submission to the Board, Legislature, and Governor's Office
- Respond to requests for information regarding the ASRS budget

#### **Budget Administration**

Objectives:

- Provide a quarterly budget update to the Board Operations Review Committee
- Monitor expenditures and report current and projected expenses to Executive Management on a monthly basis
- Meet specific reporting requirements for Special Line Appropriations
- Project expenditures for each fiscal year; monitor and update monthly
- Identify and encumber recurring expenses for the current fiscal year on or before August 31st of each fiscal year
- Identify funding and respond to requests for one-time purchases of goods and services within ten business days of receipt

### **Program Area:**



## ***Procurement and Asset Services***

**Goal:** With the approval of the Retirement Board, identify and exceed user requirements for quality and timely outside professional services.

**Goal:** With the approval of the Retirement Board, identify and implement efficient and cost effective methods for procuring professional services.

### **Service Area:**

#### ***Professional Services Contracting***

##### **Acquisition of Quality Professional Services**

Objective:

- Meet all scheduled commitments.

##### **Contract Management**

Objectives:

- Coordinate and monitor the implementation of the Contract Management System.
- Ensure contractors' performance meets or exceeds expectations.

##### **Acquisition of quality goods, personal services, and maintenance services**

Objectives:

- Initiate source selection within three working days after receipt of requisition.
- Meet all scheduled commitments.

##### **Coordinating Competitive Government Task Team**

Objectives:

- Meet scheduled commitments.
- Office of Excellence in Government approval of process within requested time frames.
- Staff response to survey indicates satisfaction.

### **Service Area:**

#### ***Records Retention***

##### **Storage and destruction of documents**

Objective:

- Store records within three working days, or destroy records within 20 working days of being designated for storage or destruction, in compliance with applicable law.

**Service Area:**  
***Building Management***

**Buidling Management**

Objectives:

- Serve as day-to-day contact for building management issues.
- Address day-to-day ASRS building issues within appropriate time frames.
- Coordinate ASRS space modifications within required time frames.

**Service Area:**  
***Fixed Asset Management***

**Fixed Asset Management**

Objectives:

- Track fixed assets according to guidelines established by ADOA, GITA, GAO, and pursuant to best business practices. Collect 100% of asset information on new purchases that meet guidelines established.
- Conduct annual audits of all fixed assets and reconcile them to inventory database. Locate 100% of all fixed assets.
- Reconcile capital assets to AFIS at fiscal year end with 100% accuracy.

**Program Area:**  
***Internal Audit***

Through the utilization of compliance reports, the Internal Auditor will report on the following:

**Goal:** Exceed standards for ASRS operational integrity and compliance with relevant laws, rules, policies and procedures.

**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering services.

**Goal:** Identify and exceed requirements for timely and quality service.

**Service Area:**  
***Internal Audit***

Objectives:

- Ensure material compliance with government accounting standards and other applicable rules.
- Identify and address deficiencies in the ASRS internal control structure.

- Identify and address deficiencies in the ASRS project development and implementation processes.
- Identify and address deficiencies in the ASRS capability to meet strategic goals and objectives within designated time frames.
- Meet scheduled commitments for implementing external audit recommendations.
- Identify and address deficiencies in the internal control structure of outside vendors entrusted with agency assets.
- Identify and address deficiencies in contributions reported by member employers.
- Provide periodic status reports on service purchase member communications and internal investment activity.

**Program Area:**

***Legal***

**Goal:** Provide prompt and accurate legal advice and counsel to the Retirement Board and ASRS Staff.

**Service Area:**

***Legal Services***

**Objectives:**

- Report to the Retirement Board on pertinent legal issues no later than at its next scheduled meeting, and immediately, if appropriate.
- Report to the ASRS Staff on pertinent legal issues within ten working days, and immediately if appropriate.
- Within one business day, provide a time frame for responding to requests for legal counsel or assistance.

**DIVISION:  
FINANCIAL SERVICES**

**Program Area:  
*Comptroller***

**Goal:** Identify and exceed, where possible, user requirements for timely and quality comptroller services.

**Goal:** Identify and implement the most efficient and cost effective methods for delivering comptroller service and support.

**Service Area:  
*Benefits Payable***

**Forfeitures**

Objectives:

- Process all forfeiture payment transactions with 100% accuracy.
- Distribute 100% of refunds within 45 business days of receipt of properly completed application.

**Survivor Benefits - Non-retired and Retired**

Objectives:

- Process all survivor benefit payment transactions with 100% accuracy.
- Provide written option letter and applications within 15 business days of initial notification of death.
- Process payment within 30 business days of receipt of completed documents.

**New Retirees**

Objectives:

- Process all initial pension benefit payments with 100% accuracy.
- Process and distribute initial benefit payment:
  - Within 60 calendar days of retirement date (pre-PERIS)
  - Within 30 calendar days of retirement date (post-PERIS)
- Complete final audit and process necessary benefit amount adjustments within 90 calendar days of initial benefit payment.

**Benefit Option Rescind and Revert Calculations**

Objectives:

- Complete and send benefit rescind and revert calculation within 15 business days of receipt from Member Services Division.

- Process rescind and revert requests within 45 business days of receipt of new benefit election.

### **Repayment of Excess Contributions**

Objective:

- Distribute reimbursement for contributions made, but not included in final retirement benefit within 100 calendar days of initial benefit distribution.

### **Reimbursement of Recalculated Service Purchase Payments to Eligible System Members**

Objective:

- Distribute payments within 30 working days of notification of payment requirement.

### **Pension Maintenance, Processing, and Payment**

Objectives:

- Distribute 100% of pension payments by the first business day of each month.
- Process monthly pension payroll adjustments (i.e. tax withholding, address, name, direct deposit, association dues, levies or other court orders) within two business days of notification from member or appropriate authority.

### **13th Month Check Processing/Payment**

Objective:

- Distribute 13th month check to all eligible members by November 30<sup>th</sup> of each year.

### **Health Benefit Subsidy Monthly Processing/Payment**

Objectives:

- Process all vendor payment transactions with 100% accuracy.
- Distribute all vendor payments timely and according to designated schedule.

### **Return to Work**

Objectives:

- Identify and notify members who have improperly returned to work within ten business days of the posting of improper contributions.
- Recover erroneous forfeiture payments within ten business days of posting of improper contributions.
- Complete any necessary benefit adjustments within 20 business days of notification to member.

### **LTD Processing**

Objectives:

- Ensure that eligible LTD recipients are processed within ten business days of notification of acceptance to LTD program from the third party administrator.
- Ensure that LTD members are notified and sent retirement application materials six months prior to eligibility for normal retirement.
- Ensure that all LTD management fees are paid accurately and on time.

### **Excess Benefits Processing**

Objective:

- Complete 100% of required payments by the first of each month.

### **Litigation Payment Processing**

Objective:

- Meet all commitments to ensure accurate and timely benefit disbursements to eligible individuals.

### **1099 Processing/Distribution/Follow-up**

Objective:

- Process 100% of 1099R's and associated adjustments accurately and within required time frames.

### **Unclaimed Property**

Objective:

- Distribute 100% of unclaimed benefit payments to the Arizona Department of Revenue in compliance with applicable laws.

### **Service Area:**

#### ***Accounts Payable***

### **Administrative Accounts Payable**

Objective:

- Process all outstanding liabilities within three business days of receipt of properly completed billing invoice.

### **Staff Payroll Processing**

Objectives:

- Process all completed time and attendance sheets within timeframes designated in the ADOA payroll schedule.
- Complete all payroll adjustments within one pay period of notification.

### **Travel/Other Staff Reimbursement**

Objective:

- Process reimbursement within three business days of receipt of required documentation.

**Service Area:**

***Financial Reporting***

**Cash Management**

**Objectives:**

- Maximize income from float.
- Ensure that monthly cash requirements are communicated to the Investment Management Division at least 15 calendar days prior to processing month.

**Monthly/Annual Reconciliation of Cash**

**Objectives:**

- Complete all reconciliations required for the prior month by the end of each month.
- Complete annual reconciliations by August 31<sup>st</sup> of each year.

**Calendar/Fiscal Year End Close, Annual Audit Schedules and CUFR Report Production**

**Objective:**

- Meet deadlines for DOA, GFOA, and CUFR reporting.

**Tax Reporting**

**Objective:**

- File all required tax reports on time.

**Service Area:**

***Service Purchase Validation***

**Calculation and Validation of Service Purchase**

**Objectives:**

- Complete service purchase cost calculation and validation within ten business days following receipt of relevant materials.
- Maintain a quality rating of 98%.

**Service Area:**

***Service Transfer Requests***

## **Transfer Service to ASRS**

### **Objectives:**

- Print acknowledgement of member request and forward to Member Services within three business days of receipt of signed request.
- Calculate the cost of the service transfer and request information from appropriate retirement system within five business days of receipt of signed request.
- Request payment from member (when necessary) and corresponding retirement system within five business days of receipt of election letter.
- Upon receipt of payment(s), complete appropriate forms and forward to Membership Accounting for processing within five business days.
- Place request for transfer on board consent calendar for final approval within five business days of forwarding file to Membership Accounting.

## **Transfer Service from ASRS**

### **Objectives:**

- Print acknowledgement of member request and forward to Member Services within three business days of receipt of signed request.
- Send forms to corresponding retirement system within five business days of receipt of signed request.
- Within five business days of receipt of payment request, complete appropriate forms and forward to Membership Accounting.
- Within two business days of receipt of file from Membership Accounting, send payment, place transfer request on board consent calendar, send letter to Members Services, and send records to Records Management.

## **Program Area:**

### ***Membership Accounting***

**Goal:** Identify and exceed user requirements for timely and quality membership accounting services, and meet user expectations.

**Goal:** Identify and implement the most efficient and cost effective methods for delivering membership accounting services and support.

## **Service Area:**

### ***Contribution Accounting***

## **Contribution Reporting**

### **Objectives:**



- Deposit contributions within one business day of receipt.
- Process payroll data and account for contributions within three business days of receipt.
- Post all contributions and service purchase payroll deductions within five business days following the close of the employer' payroll.

### **Accounts Receivable Ledger - Contributions**

#### **Objectives:**

- Reconcile Accounts Receivable Ledger and issue employer statements within 15 business days after the end of each month.
- Complete month-end and year-end reconciliations within required time frames.
- Close the year-end Accounts Receivable Ledger within required time frames.

### **Delinquent Employers**

#### **Objectives:**

- Monitor delinquent employers, follow agency policies and procedures, and prepare weekly reports.
- Prepare monthly board report at least two weeks prior to the Retirement Board meeting.
- Assess late charges and interest accrued on late and unpaid balances.
- Collect delinquent contributions based on agency policies and procedures.

### **Employer Demographic Data**

#### **Objectives:**

- Assign or change employer numbers, reporting unit numbers, and reporting services within five business days of notification of board approval or valid request.
- Add or change employer demographic data within five business days from receipt of request.

### **Service Area:**

#### ***Member Balance Accounting and Validation***

### **Payment for Service – Payroll Deduction Authorization (PDA)**

#### **Objective:**

- Validate, finalize, generate ASRS authorization, and send to employers for implementation within ten business days following receipt of relevant materials.

### **Payment for Service – Lump Sum**

#### **Objective:**

- Validate, process payments, and send acknowledgment letter to member within ten business days of the receipt of funds.

### **Rollovers**

Objective:

- Review and respond or process within ten business days of receipt.

### **Accounts Receivable Ledger – Service Purchase Journal**

Objectives:

- Complete month-end and year-end reconciliations within required time frames.
- Complete year-end close of the Service Purchase Journal within required time frames.

### **Adjustments to Member Accounts**

Objective:

- Complete validations and adjustments within ten business days following receipt of request.

### **Calculation and Validation of Service Transfer Requests to the ASRS**

Objectives:

- Deposit money, post service, and forward to the Member Services Division within ten business days of receipt of payment(s).

### **Calculation and Validation of Service Transfer Requests from the ASRS**

Objectives:

- Verify and match forms with file and paperwork, request check, post transaction, and forward file to Comptroller within ten business days of receipt of appropriate forms.

### **Member Balance Validation**

Objectives:

- Validate all transactions impacting member balances within three business days.
- Maintain various journals that support the Current Ledger following policies and procedures and within prescribed time frames.

### **Current Ledger – Member Balances**

Objectives:

- Verify accuracy of the Current Ledger on a daily basis and make adjusting journal entries as discrepancies are identified.
- Complete month-end and year-end reconciliations within required time frames.

- Complete year-end close of the Service Purchase Journal within required time frames.

### **Year-end roll of the Open Member**

Objective:

- Authorize, provide, and verify accuracy of the application of interest, plan employer contribution percentage, current year employee contributions, service purchase contributions, and supplemental credit within required time frames.

### **Service Area:**

#### ***Health Insurance***

### **Processing Enrollments and Coverage Changes**

Objectives:

- Verify and determine eligibility of all participants within five business days of receipt of relevant materials.
- Complete enrollments, adjustments, and change transactions within ten days business days of receipt.
- Process authorization form with ten days of new retiree event.
- Provide a quality review process to ensure accuracy of input. Maintain a 95-98% accuracy rate based on sample audit.

### **Member Inquiry through HI Quest**

Objectives:

- Review, research, and respond within ten business days of receipt from the Member Services Division.

### **Open Enrollment Preparation and Implementation**

- Coordinate open enrollment activities with other program area managers.
- Create project plan, including a process flow and tracking mechanism; review this plan with existing staff and other program area managers. Finalize an acceptable plan at least two weeks prior to the start of open enrollment.
- Determine staffing and training needs, and coordinate meeting those needs at least one week prior to the start of open enrollment.
- Meet the project plan goals and objectives.
- Maintain a 95-98% accuracy rate based on sample audit.
- Post-processing assessment of project completed within one month of open enrollment effective date.

### **Open Enrollment Processing**

- Complete enrollment transactions within 20 business days of receipt.

- Maintain a 95-98% accuracy rate based on sample audit.

### **Employer Plan Renewal and Rate Data**

- Contact employers at least 30 days before their renewal date to obtain new plan and rate information.
- Enter the new plans and rates within five working days after receipt of survey information.

### **Program Area:**

#### ***Investment Accounting***

**Goal:** Identify and exceed all user requirements for timely and quality investment accounting services.

**Goal:** Identify and implement the most efficient and cost effective methods for delivering legal and appropriate investment accounting service and support.

### **Service Area:**

#### ***Investment Validation and Support***

### **Validation of Financial Statements as Reported by the Custodian Bank**

#### **Objectives:**

- Validate all portfolios within four weeks of month-end.
- Validate all cash balances within four weeks of month-end.

### **Internal Investment Transactions Compliance**

#### **Objectives:**

- Review all trade tickets within 24 hours of receipt from Investment Management Division.
- Complete the reconciliation of the internal portfolio to financial reports as reported by the Custodian Bank within two weeks of month-end.

### **Provide Investment Information**

#### **Objectives:**

- Respond to all written requests within one week of receipt.
- Respond to all phone requests within agreed upon time frame.
- Respond to Retirement Board and Management requests within agreed upon time frame.

### **Technical Support to Investment Management**

#### **Objective:**

- Provide requested support within agreed upon time frame.

## **Generation of Investment Reports and Financial Statements**

Objective:

- Provide all lead schedules to external auditors within six weeks of fiscal year-end.

**DIVISION:  
EXTERNAL AFFAIRS**

**Program Area:  
*Governmental Relations***

**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering services.

**Goal:** Identify and exceed user requirements for timely and quality legislative services.

**Service Area:  
*Communications***

**Legislative Updates**

Objectives

- Provide daily updates of legislative actions affecting the ASRS operations for the Retirement Board, staff and employers as needed during the legislative session.
- Produce Weekly Legislative Report and distribute to all employer members, constituent groups, and the ASRS web site.
- Meet all scheduled commitments.

**Reports to the ASRS Staff and Retirement Board**

Objectives:

- Identify for the Retirement Board and staff all federal legislation having significant impact on the ASRS operations and coordinate effective and timely response and/or action.
- Identify all state and federal regulatory issues having impact on the ASRS operations.
- Summarize final legislative actions affecting the ASRS operations for the Retirement Board, staff, and employer members.
- Meet all scheduled commitments.

**Service Area:  
*ASRS Legislative Agenda***

**Retirement Board Legislative Committee Support**

Objectives:

- Coordinate meetings and carry out directives of the Retirement Board Legislative Committee.
- Meet all scheduled commitments.

### **Draft New Legislation**

#### **Objectives:**

With the approval of the Retirement Board, the ASRS will meet the following objectives:

- Draft all ASRS sponsored legislation in proper legislative format to meet identified ASRS needs.
- Obtain effective legislative sponsorship.
- Meet all scheduled commitments and deadlines for introduction of legislation.

### **Monitor Other Proposed Legislation**

#### **Objectives:**

- Identify all new proposed legislation having impact on the ASRS operations in a timely manner to permit an effective response.
- Meet all scheduled commitments.

### **Legislative Requests**

#### **Objectives:**

- Respond to requests from legislators or their staff according to scheduled commitments.
- Meet all scheduled commitments.

## **Program Area:**

### ***Employer Relations***

**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering services.

**Goal:** Identify and exceed user requirements for timely and quality employer relations services.

## **Service Area:**

### ***New Employers***

### **New Employer Processing**

#### **Objectives:**

- Respond to employer inquiries for membership information within one business day of request.
- Acknowledge receipt of required documentation completed in proper format within five business days.
- Schedule new employer for approval at the next meeting of the Retirement Board.

- Forward required modification of federal-state Section 218 Social Security agreement to the Social Security Administration within five business days of Retirement Board approval.
- Provide notification of Retirement Board approval to employer; schedule and perform new employer orientation within 22 business days of Retirement Board approval.
- Meet all other scheduled commitments.

**Service Area:**

***Employer Communications and Education***

**Objectives:**

- Publish, distribute, and maintain Employer Manual.
- Print and distribute quarterly employer newsletter within designated time frames.
- Publish and distribute excerpt from the Arizona Revised Statutes regarding provisions related to the ASRS operations within three months of close of legislative session.
- Respond to employer request for training or staff orientation within one business day.
- Schedule session to meet employer needs.
- Meet all scheduled commitments.

**Service Area:**

***Employer Problem Resolution***

**Objectives:**

- Respond to telephone requests from employer representatives within one business day and provide final response to meet member needs according to scheduled commitments.
- Respond to written requests from employer representatives within five business days and provide final response to meet member needs according to scheduled commitments.
- Respond to staff requests to assist in resolution of employer reporting problem within one day and schedule meeting with employer to meet staff and employer's needs.
- Meet all scheduled commitments.

**Program Area:**

***Communications and Media Relations***



**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering services.

**Goal:** Identify and exceed user requirements for timely and quality publication services.

**Service Area:**

***Member Newsletter***

Objectives:

- Print and distribute quarterly member newsletter within designated time frames.
- Obtain staff input and comments regarding newsletter content.
- Meet all scheduled commitments.

**Service Area:**

***Other Member Publications***

Objectives:

- Draft and publish other written materials to meet staff, member and employer informational needs.
- Update existing ASRS publications as necessary to meet member and employer informational needs.
- Meet all scheduled commitments.

**Service Area:**

***Distribution of Publications***

**Scheduling and Distribution of Publications**

Objective:

- Timing of information sent to employers and members is coordinated to minimize spikes in work load.

**Program Area:**

***Other Outside Relations***

**Goal:** Identify and implement the most efficient, cost effective and customer-oriented methods for delivering services.

**Goal:** Identify requirements for timely and quality outside relations services.

Objectives:

- Schedule and hold periodic meetings with Employer Constituent Groups.

- Respond to requests to address constituent groups within one business day and schedule to meet group's needs.
- Meet all scheduled commitments.

**Service Area:**

***Division Administrative Support***

**Phone Coverage for Deputy Director**

Objective:

- Take messages, recording accurate information or forward to the appropriate person.

**Legislative Reports**

Objective:

- Type and distribute error free legislative reports within agreed upon time frame.

**Mailing Lists**

Objective:

- Maintain an error free mailing list and update as needed.

**Correspondence; Presentation; Reports, New Employer Packets**

Objective:

- Complete error free documents within one business day or agreed upon time.

**Schedule Appointments / Meetings**

Objective:

- Schedule appointments upon request.

**Filing**

Objectives:

- Maintain error free files.
- Complete filing within the agreed upon time frames.

**DIVISION:**

**INVESTMENT MANAGEMENT**

**Program Area:**

***Investment Management***

**Goal:** To retain safety as the principal consideration in the investment of all ASRS assets.

**Goal:** To achieve an actuarial investment return for pension assets of 8%.

**Goal:** To maintain a 100% funded status.

**Goal:** To support an excess earnings COLA.

**Goal:** To maintain a relatively stable pension contribution rate.

**Service Area:**

***Asset Allocation***

**Objectives:**

- Continuously review and monitor the ASRS's actual asset allocation.
- Determine if a rebalancing of the actual asset allocation is required, at least quarterly.
- Implement the rebalancing decision, if required, at least quarterly.
- Conduct a formal asset allocation study every two years.

**Service Area:**

***Internal Management***

**Objectives:**

- Reduce total investment expenses, as a percentage of assets, by 5%, for calendar years 1997, 1998, 1999, and 2000, based on the current asset mix.
- Achieve a net rate of return on the Equity Model 1 internal portfolio equal to the S&P 500 plus or minus 50 basis points, measured, when appropriate, on a series of rolling three-year periods.
- Achieve a net rate of return on the Equity Model 2 internal portfolio equal to the S&P 500 plus or minus ten basis points, measured, when appropriate, on a series of rolling three-year periods.
- Achieve a net rate of return on the Fixed Income Model 1 internal portfolio equal to the Lehman Aggregate Index plus or minus 25 basis points, measured, when appropriate, on a series of rolling three-year periods.
- Continuously review the internal portfolio performance.
- Formally review the performance of the internal portfolios quarterly.
- Review the performance of the internal portfolio annually before the Board.

**Service Area:**

***External Management***

**Objectives:**

- Ensure external managers achieve a net rate of return equal to the appropriate benchmark (S&P 500, Lehman Aggregate, MSCI EAFE, etc.) measured, when appropriate, on a series of rolling three-year periods.
- Continuously review the external investment managers' performance.
- Formally review the performance of the external investment managers quarterly.
- Review the performance of the external investment managers annually before the Retirement Board.
- Recommend to the Retirement Board, on an annual basis, the retention, and non-retention of the external investment managers.